



SAMPLE LETTER OF AGREEMENT (LOA)

For Private Operating Foundations

Following are the terms and conditions applying to grants made by the Robert Wood Johnson Foundation (referred to as "the Foundation," "we" or "us"). As a grantee (referred to as "grantee" or "you"), you should read this carefully; your signature on this form constitutes your acceptance of all the terms and conditions. As used in this form, the term "grant" includes any income you derive from the grant.

Awardee: [Institution Name]
I.D.: [ID #]
Amount: \$[Award Amount]
Purpose: [Project Title]
Project Information: Grant Period: [Start Date] through [End Date]
Project Director: [Project Director Name, Phone & E-mail]

1. PURPOSE AND ADMINISTRATION. You will directly administer the project or program being supported by the grant and agree that no grant funds shall be used in any way other than as specifically set forth in this Letter of Agreement and the final proposal, budget and related documents, all as approved by the Foundation (the "Approved Grant Documents") without the Foundation's prior written consent. You further agree that no grant funds shall be disbursed to any organization or entity, whether or not formed by you, except as specifically set forth in the Approved Grant Documents.

[Executive Summary of Project]

No changes may be made to the nature or scope of the program or project being supported by this grant without the express written consent of the Foundation.

2. USE OF GRANT FUNDS.

A. No part of the grant shall be used to carry on propaganda or otherwise attempt to influence legislation within the meaning of Section 4945(d)(1) of the Internal Revenue Code.

B. No part of the grant shall be used to attempt to influence the outcome of any specific public election or to carry on, directly or indirectly, any voter registration drive within the meaning of Section 4945(d)(2) of the Internal Revenue Code.

C. No part of the grant shall be used to provide a grant to an individual for travel, study or similar purpose within the meaning of Section 4945(d)(3) of the Internal Revenue Code, without prior written approval of the Foundation. Payments of salaries, other compensation or expense

reimbursement to your employees within the scope of their employment do not constitute grants for these purposes and are not subject to these restrictions.

D. No part of the grant shall be used for a grant to another organization without complying with the requirements of Section 4945(d)(4) and, if applicable, Section 4945(h) of the Internal Revenue Code.

E. No part of the grant shall be used for purposes other than religious, charitable, scientific, literary or educational purposes or the prevention of cruelty to children or animals within the meaning of Section 170(c)(2)(B) of the Internal Revenue Code. If any portion of the grant is used for purposes other than those described in Section 170(c)(2)(B) of the Internal Revenue Code, you shall repay to the Foundation that portion of the grant and any additional amount in excess of such portion necessary to effect a correction under Section 4945 of the Internal Revenue Code.

F. You shall repay to the Foundation any portion of the grant which is not used exclusively for the purposes described in Section 1 hereof within the time specified in your proposal or any approved extension; any repayment shall be made within thirty (30) days after such specified time or extension. If we terminate the grant pursuant to Section 11 hereof, you shall repay within thirty (30) days after written request by the Foundation all grant funds unexpended as of the effective date of termination and all grant funds expended for purposes or items allocable to the period of time subsequent to the effective date of termination. If any portion of the grant is used for purposes other than those described in Section 170(c)(2)(B) of the Internal Revenue Code, you shall repay that portion of the grant as well as any additional amount in excess of such portion necessary to effect a correction under Section 4945 of the Internal Revenue Code.

G. If you are not an operating foundation within the meaning of Section 4942(j)(3) of the Internal Revenue Code, or if you are directly or indirectly controlled by the Foundation or by one or more "disqualified persons" (within the meaning of Section 4946 of the Internal Revenue Code) with respect to the Foundation, you agree (i) to expend all of the grant prior to the close of your first annual accounting period following the taxable year in which you receive a grant payment as qualifying distributions within the meaning of Section 4942(g)(3) and (h); and (ii) to submit, promptly after the close of your annual accounting period, a full and complete written report to us signed by an appropriate officer, director or trustee showing that the qualifying distribution has been made, the name and address of the recipient or recipients, the amounts received by each and that all the distributions are treated as distributions out of corpus under Section 4942(g)(3) and (h).

H. Grantee agrees that any polls or surveys funded as part of this grant, if any, shall comply fully with the RWJF Guidelines for Funding and Releasing Polls and Surveys (which are available at www.rwjf.org/files/guidelinesforpollsandsurveys.pdf).

3. **BUDGET.** The grant budget and any revisions thereto shall comply with our Budget Preparation Guidelines (previously provided with your proposal application and instructions), Budget Revision Guidelines (which are available at www.rwjf.org/grantees/instructionslist.jsp) and any additional instructions contained in the award letter sent by the Foundation to you (collectively the "Budget Guidelines"). Such Budget Guidelines, as they may be modified by us from time to time, are part of the terms and conditions of your grant. Expenditures of grant funds must adhere to the specific line items in your approved grant budget.

4. **ACCOUNTING AND AUDIT.** You shall indicate the grant separately on your books of account. You shall maintain a systematic accounting record of the receipt and disbursement of funds

and expenditures incurred under the terms of the grant and shall retain the substantiating documents such as bills, invoices, cancelled checks and receipts in your files for at least four (4) years after expiration of the grant period. You agree promptly to furnish the Foundation with copies of such documents upon the Foundation's request and to make your books and records available for inspection by us at reasonable times.

At our expense, we may audit or have audited your grant-related books and records, and you shall provide all necessary assistance in connection therewith.

5. REPORTS. You shall furnish annual narrative reports and financial reports to the Foundation as of the end of each of your annual accounting periods during which the grant or any portion thereof is received until the grant funds are expended in full, the grant funds are repaid pursuant to Section 2F hereof or the grant is terminated pursuant to Section 11 hereof. The financial report shall show actual expenditures reported as of the date of the report against the approved line item budget. The annual narrative report shall include a report on the use of the grant funds, compliance with the terms of the grant, the progress made by the grantee toward achieving the grant purposes and any problems or obstacles encountered in the effort to achieve the grant purposes. After the close of the annual accounting period during which you complete your use of the grant funds, you shall make a final grant report with respect to all expenditures made from the grant funds (including salaries, travel and supplies) and report the progress made toward the goals of the grant. All such reports shall be furnished to us within thirty (30) days after the close of the annual accounting period for which the reports are made. You shall retain all such reports in your files for a period of at least four (4) years after expiration of the grant period.

If the grant is used to fund, in whole or in part, an endowment, the purchase of capital equipment or for other capital purposes, you shall furnish us with annual narrative reports and financial reports for each taxable year in which grant funds are received for any such purpose, for the two (2) succeeding taxable years and for such additional taxable years as we may require.

The annual narrative reports, financial reports and final grant report shall be accompanied by a copy of the grantee's annual report.

At our expense, we may monitor and conduct an evaluation of operations under the grant, which may include visits by our representatives to observe your program procedures and operations and to discuss the program with your personnel.

6. COPYRIGHT; FOUNDATION USE OF DATA; PUBLIC USE DATA SETS. All copyright interests in materials produced as a result of this grant are owned by the grantee. You grant to the Foundation a nonexclusive, irrevocable, perpetual, royalty-free license to reproduce, publish, republish, summarize, excerpt or otherwise use and license others to use, in print or electronic form, including in electronic databases or in any future form not yet discovered or implemented, any and all such materials produced in connection with this grant.

You represent and warrant that the material produced by you under this grant will be original and not infringe upon any copyright or any other right of any other person, and has not previously been published.

If one of the deliverables described in Section 1 is a public use data set for inclusion in the Foundation's Health and Medical Care Archive, you shall, at no additional cost to us, cause public use data files to be constructed (with appropriate adjustments to assure individual privacy) in

accordance with the specifications of the Inter-University Consortium for Political and Social Research, University of Michigan, including the full documentation outlined in the Consortium's current data preparation manual. Unless we otherwise specify, such public use data files shall include all data files used to conduct the analysis under the grant. You shall transmit one computer-readable copy of such public use data files and documentation to the Consortium within 12 months of the expiration of the grant period. A portion of your final payment up to 10 percent of the grant award amount may be withheld until this deliverable has been received.

7. PUBLIC REPORTING. The Foundation will report this grant, if made, in its next annual report. The Foundation will discuss potential communications activities with you related to this grant, including the issuing of press releases. Please do not issue press releases or any public announcements without consulting with the Foundation prior to these activities. In addition, we may publish reports on the project or program, briefly describing its accomplishments and results, which we may also use to respond to inquiries.

You shall send to the Foundation copies of all papers, manuscripts and other materials which you produce that are related to this grant.

In all public statements concerning the Foundation, you should refer to the Foundation by its full name: Robert Wood Johnson Foundation.

8. GRANTEE TAX STATUS. You represent that you are currently a tax-exempt entity described in Section 501(c)(3) of the Internal Revenue Code. You shall immediately give written notice to us if you cease to be exempt from federal income taxation as an organization described in Section 501(c)(3) or if you qualify as other than a private foundation under Section 509(a).

You also represent that you are currently an operating foundation described in Section 4942(j)(3) of the Internal Revenue Code. You shall immediately give us written notice if you cease to be an operating foundation described in Section 4942(j)(3).

9. CERTIFICATION REQUIRED WHEN GRANT MAY BE USED FOR RESEARCH INVOLVING HUMAN SUBJECTS. If the grant is to be used in whole or in part for research involving human subjects, you hereby certify that you will conduct the research in compliance with the ethical standards and the criteria for approval and conduct of research set forth in United States Department of Health and Human Services policy for the protection of human research subjects (45 C.F.R. Part 46 and related guidance, as amended from time to time) and all other federal and state laws applicable to the research project. Such requirements may include, but are not limited to, obtaining and maintaining institutional review board (IRB) approval and obtaining informed consent of participating research subjects.

10. PRIVACY AND SECURITY OF HEALTH INFORMATION. You represent and warrant that any individually identifiable health information used or disclosed in connection with the grant will be used and disclosed in compliance with applicable federal and state statutes and regulations regarding the privacy and security of such information including, but not limited to, the Health Insurance Portability and Accountability Act of 1996, 42 U.S.C. Section 201 et seq., as amended, and its applicable implementing regulations, 45 C.F.R. Part 164 (HIPAA). Any health information reported to the Foundation will be de-identified within the meaning of the HIPAA privacy rule or will be consistent with the research subject's signed HIPAA authorization or will be otherwise permissible under law.

11. **GRANT TERMINATION.** It is expressly agreed that any use by you of the grant proceeds for any purposes other than those specified in Section 170(c)(2)(B) of the Internal Revenue Code will terminate our obligation to make further payments under the grant.

At our sole option, we may terminate the grant at any time if, in our judgment, you become unable to carry out the purposes of the grant, cease to be an appropriate means of accomplishing the purposes of the grant or fail to comply with any of the conditions hereof.

If the grant is terminated prior to the scheduled completion date, upon our request, you shall provide us a full accounting of the receipt and disbursement of funds and expenditures incurred under the grant as of the effective date of termination.

12. **LIMITATION; CHANGES; SEVERABILITY.** You acknowledge and agree that we have no obligation to provide other or additional support to you for purposes of this project or any other purposes. Any changes, additions or deletions to (i) the terms and conditions of the grant; or (ii) the Approved Grant Documents must be made in writing only and must be jointly approved by the Foundation and you. The invalidity in whole or in part of any term or condition of this grant shall not affect the validity of the other terms and conditions.

13. **CHANGED CIRCUMSTANCES; REGULATORY ACTION.** You shall promptly notify us in writing if there is any change in circumstances that might affect your ability to carry out the grant; you undergo a merger, division or other corporate reorganization; you become subject to a proceeding under the Bankruptcy Code or other law relating to insolvency or make an assignment for the benefit of creditors; you become subject to an investigation or proceeding brought by the Attorney General or any other regulatory agency; or you receive notice of any litigation or other legal action relating to the grant or are served with a subpoena or other legal process seeking to compel production of or obtain access to any data related to the grant.

14. **NONTRANSFERABILITY; NO JOINT VENTURE.** This grant is not transferable. Nothing contained herein shall be construed in any manner to imply or create a relationship between the Foundation and you as partners, joint venturers or agent. You shall not act in any manner as our agent or representative.

15. **AUTHORITY; COMPLIANCE WITH APPLICABLE LAW.** You represent and warrant that you have full power and authority to enter into this agreement, and that all activities conducted hereunder shall be in full compliance with the requirements of all applicable federal, state and local laws, regulations and ordinances.

All the terms and conditions above are hereby accepted and agreed to as of the date indicated.

[Institution Name]

Date: _____

By: _____

[Authorized Official]

Title: _____